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With the European Green Deal, the EU is increasing its climate ambition and aims to lower energy use by 9% below 2020 levels before the end of the decade. In this special report, EURACTIV looks at European Commission plans to ramp up energy savings.



A stylized white sun icon is positioned on the left side of the page, partially overlapping the orange textured background. It features a curved line for the sun's body and several short, horizontal dashes representing sunbeams.

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Energy saving schemes need better targeting at poorest households, experts say

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By Anna Gumbau | EURACTIV.com



“We have seen a lot of programmes to incentivise renovation, but they require households to contribute their own funds. And therefore, low-income households have not been able to access those incentives,” said Louise Sunderland from the Regulatory Assistance Project, a non-profit organisation. [microstock3D / Shutterstock]

The ongoing energy price crisis has exposed the vulnerability of low-income households, many of whom struggle to access financial support, experts said in a roundtable organised last week (2 December) by the Brussels-based Coalition for Energy Savings.

Gas and power prices have skyrocketed across Europe in recent months, impacting discussions on the EU’s ‘Fit for 55’ package of climate and energy legislation tabled in July by the European Commission.

With its ‘Renovation Wave’ strategy released last year, the EU executive has tabled ambitious plans to revamp the EU’s building stock and at least double the bloc’s renovation rate, which currently stands at just 1% annually.

That would benefit the bloc’s most vulnerable households the most, as it is the poorest consumers who often live in the oldest and least energy-efficient homes.

But financial support schemes to renovate buildings and increase energy savings are not targeted enough, often

leaving poor households behind, a panel organised by the Coalition for Energy Savings heard last week.

“We need this support to be targeted as well, in a way that I just don’t think we’ve really done at European level,” said Louise Sunderland, Senior Advisor at the Regulatory Assistance Project, a non-profit group dedicated to accelerating the energy transition.

“By that I mean targeting our energy efficiency measures on those people who are suffering from energy poverty poverty, and who are now

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further impacted most by these price shocks,” Sunderland added.

“We have seen a lot of programmes to incentivise renovation, but they require households to contribute their own funds. And therefore, low-income households have not been able to access those incentives,” she said.

According to Eurostat, about 8% of EU households were unable to adequately heat their homes in 2020. And amid the recent energy price surge, EU member states are trying to solve the current crisis by focusing mainly on supply-side measures instead of prioritising the reduction of energy use, said Arianna Vitali Roscini, Secretary General of the Coalition for Energy Savings.

“This approach perpetuates the problem; it does not provide a definite solution to high energy bills for citizens, and it may well put the achievement of our climate goals at risk,” Roscini told the webinar.

“What can really make a difference in the medium to long term is to adopt an ambitious legislative energy efficiency framework, coupled with financial and technical support, that aims at drastically reducing energy use.”

Europe’s consumer organisation

BEUC said that supply-side measures are not enough, and that the current crisis requires “structural changes”, which are currently lacking in the EU’s climate and energy legislation.

“There is only so much we can achieve with ‘quick wins’,” said Dimitri Vergne, team leader for sustainability at BEUC. “The revision of the Energy Efficiency Directive must accelerate the renovation rates of buildings through concrete and enabling measures. And it must integrate stronger consumer rights and protection, notably on new markets, for instance, district heating”.

“SYSTEMATIC APPROACH” NEEDED

The International Energy Agency (IEA) has estimated that approximately 44% of the required carbon emissions reductions at global level can be achieved by energy efficiency measures alone.

If anything, the current energy crisis highlights that it is “time to ramp up energy efficiency implementation,” said Vida Rozite, an Energy Policy Analyst at the IEA.

“To achieve that, we need robust policy packages across policy domains. It is not just an energy efficiency issue – it spans across all

our policies, all aspects of our lives, all sectors, it needs a systematic approach,” she told the webinar.

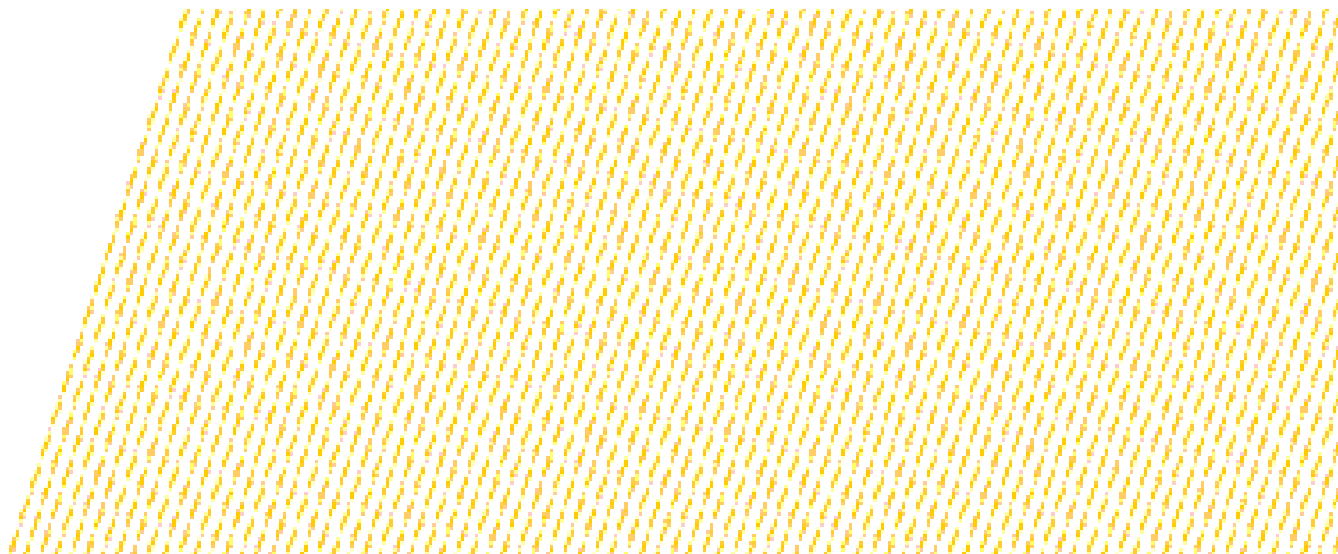
Niels Fuglsang, a social democrat MEP, was designated to steer the revision of the Energy Efficiency Directive (EED) in the European Parliament. And according to the Danish lawmaker, the answer to the ongoing crisis is to increase renewable energy capacity and boost energy savings.

He urged decision-makers to raise the EU’s level of ambition on the current proposal.

“In the EED, we have the overall target of reducing energy consumption by 9% by 2030, compared to the 2020 baseline,” he remarked. “Can we increase that?” he asked.

The Danish lawmaker said the revised directive needs to assess whether the target to achieve 1.5% annual energy savings across the EU is ambitious enough.

“We need EU member states to deliver also in the short term. We have targets for 2030, and that’s good. But how can we make sure that member states don’t wait until the end of the decade?” he asked.



INTERVIEW

Niels Fuglsang MEP: Revised EU energy efficiency rules must trigger immediate action

By Anna Gumbau | EURACTIV.com



"This is a Directive we really need to get right, and the Parliament must make sure that the ambition is not watered down," says Niels Fuglsang.
[© European Union 2021 - Source : EP]

The revised Energy Efficiency Directive (EED) must ensure that EU member states take action immediately and do not delay their efforts until the end of the decade, says the EU lawmaker responsible for drafting the European Parliament's position on the draft legislation.

Niels Fuglsang is a Danish lawmaker from the Socialists and Democrats (S&D) group in the European Parliament. He is the rapporteur for the revision of the Energy Efficiency Directive.

Looking at the EU's climate targets, the existing 32.5% energy efficiency goal for 2030 is proving the hardest to achieve. Why is that so?

It's a good question to reflect upon,

because it seems self-evident that energy efficiency would help us reach our climate targets, reduce emissions, and save consumers money.

In my view, the Energy Efficiency Directive has not been sufficiently binding, but with the 'Fit for 55' package we have the chance of an ambitious deal now.

Things have also changed a lot in the past few years. In Denmark, when I was running for the European Parliament, the election became a 'climate election', and this was also the case in many other member states.

There is a broad majority of MEPs with an ambitious climate stance, so we have a great opportunity now to

improve the directive.

What are your impressions after your first exchanges with other MEPs on the revision of the Energy Efficiency Directive? Can we expect the Parliament to increase the level of ambition compared to the European Commission's original proposal?

We are very much at the beginning of our discussions. At the moment, the political groups are creating their own positions. I am optimistic that we already have a pretty ambitious proposal from the European Commission's side. I believe the European Parliament will look into ways of strengthening the proposal, to make our economy more competitive and increase our building renovation

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rates.

Where exactly could the ambition be strengthened?

We need to look at the targets and consider if they are ambitious enough and cost-effective. The 9% reduction in energy consumption by 2030 compared to last year, the 1.5% annual energy savings obligation goals – are they ambitious enough? Because EU member states must do a lot of effort right now if we want to achieve our long-term objectives – they cannot leave all efforts until the very last minute.

We must push for action from the very beginning. And we also need to address the question of energy poverty: vulnerable consumers are the ones that will benefit the most from it as they often live in inefficient buildings.

The discussions on the ‘Fit for 55’ package are taking place against the backdrop of skyrocketing energy prices and concerns around energy poverty. When we look at the solutions that have been discussed, do you believe energy efficiency measures have featured enough in the debate?

No, I believe there has not been enough attention on energy efficiency in the ongoing crisis. If we look at data from the International Energy Agency (IEA), energy efficiency should contribute with 44% of the necessary greenhouse gas reductions globally. A large part of the effort that we need to make to reach our climate objectives comes from energy efficiency measures. It is true that it is more difficult to communicate, though. If you look at the debates around renewables, it is much easier to look at wind turbines to illustrate it.

Yet, energy efficiency measures are the ones with the clearest impact on consumers...

Yes, we have the overall climate and energy targets, but energy efficiency is something that affects individuals very closely. When you look at building renovation, you can also see how it improves a lot of people’s lives and makes a concrete difference.

But I believe people are more and more shifting their mindset, also in the context of the energy crisis. Just consider that, if we would reduce our energy consumption by 1%, we would lower our energy demand by 2%.

Member states recently discussed energy efficiency measures and the ongoing crisis in the Energy Council. How do you expect the Council to approach negotiations on the Energy Efficiency Directive?

I hope the Council can put national, short-term interest aside. We all have an interest to increase the effort – we need to make these efforts to see the benefits in the long term. This is a Directive we really need to get right, and the Parliament must make sure that the ambition is not watered down.

What do you expect to be the main points of contention in the negotiations? There are already some reservations, for instance, regarding the energy savings obligations.

The annual energy savings obligations are crucial. The new proposal aims to increase the annual energy savings obligation to 1.5% from the previous 0.8%, that is a significant increase. But that ensures that member states are taking action in the short term, and that is one of

the most crucial aspects. Without this article, there is no Energy Efficiency Directive.

As I said, we must also look at whether we can increase the overall ambition. We need data to make an assessment, but we should look if there is a potential for increasing our ambition.

‘Flexibility’ was one of the buzzwords at the latest Energy Council, with several member states requesting a flexible approach when dealing with energy efficiency measures. What’s your take on that?

We must strike a balance: it is good that Brussels sets overall targets and EU member states have certain flexibility in how we achieve these targets.

But there are some things that all member states need to do, and that is building renovation. There are some elements of the proposal in which we can be pretty flexible, but some other elements are a ‘must’.

Speaking of building renovation, the European Commission will soon present the Energy Performance of Buildings Directive (EPBD). What’s your ‘wish list’ for this proposal?

I see two crucial things: first, minimum energy performance standards need to be increased to make sure that new buildings live up to energy efficiency standards, and help us reach our targets.

Secondly, the renovation rates: EU member states need to set up long-term renovation plans for buildings in Europe.

PROMOTED CONTENT

DISCLAIMER: All opinions in this column reflect the views of the author(s), not of EURACTIV Media network.

To prevent future energy prices crises, EU leaders must stop neglecting energy efficiency

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By Arianna Vitali Roscini | The Coalition for Energy Savings



[The Coalition for Energy Savings]

When European governments devise solutions to cope with the high energy price crisis, they tend to address the problem mainly with supply side measures. This time around, it would be reassuring to see that leaders recognise the key role of energy savings, writes Arianna Vitali Roscini.

Arianna Vitali Roscini is the Secretary General of The Coalition for

Energy Savings.

There is a quote that I love that is attributed to Albert Einstein, which goes, “We can’t solve problems by using the same kind of thinking we used when we created them”.

This applies perfectly to the situation we are facing: it is impossible to structurally solve the spike in energy prices driven by increased global energy demand with supply

side measures only.

Instead, addressing the root causes of the problem requires prioritising the reduction of energy use through the acceleration of energy efficiency measures. Unfortunately, EU leaders seem to neglect how boosting energy savings can alleviate the many crises the EU faces.

The ongoing recast of the Energy Efficiency Directive is the opportunity

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to put in place a legislative framework that will act as long-term insurance for citizens and businesses alike against the recurring energy price volatility.

The Energy Efficiency Directive's benefits, indeed, are not limited to reducing emissions. It can be a game-changing policy and prevent another surge in energy prices while offering huge benefits for consumers and the economy.

A higher and binding energy efficiency target for 2030 in the directive can clearly signal to investors and stakeholders that the EU and its Member States are embarking on an energy transition that requires less energy, not more.

The smaller the energy system, the lower the stress on energy resources and the additional investment required for new generation and transmission infrastructures, the better for energy prices.

Still, the 36% energy efficiency target proposed by the Commission is at the low end of what is achievable by 2030, with a cost-effective economic potential that stands at [beyond 40%](#). A recent [study](#) also finds that a 2030 energy efficiency target of 40% would deliver around €88 billion in economic benefits in 2030.

The Energy Efficiency Directive can also help people save money, for example, through its key provision requiring Member States to save energy annually, the Energy Savings Obligation. A strong obligation with a robust ringfencing mechanism for low-income households would help deliver home renovations for the most

vulnerable in society, who often live in leaky and unhealthy buildings.

In that vein, the recast of the Energy Performance of Buildings Directive, expected next week, will hopefully also set ambitious minimum energy performance standards for all buildings to ensure that the worst performing stock is renovated with urgency in the coming years.

But beyond the usual lip service paid to energy efficiency and its multiple benefits, EU leaders rarely make ambitious energy efficiency measures a high political priority. The [Energy Council](#) of last week clearly did not paint a rosy picture for the next steps of the Energy Efficiency Directive legislative process ahead of us.

Energy ministers are more interested in making the least possible additional effort and carving out all potential flexibilities. Indeed, they seem to disregard that a less ambitious directive could harm – not benefit – their economies.

Next week's European Council meeting will discuss the rise in energy prices and its implications for the European Union once again. This time around, it would be reassuring to see that the key role of energy savings in making the energy system more affordable is fully acknowledged and recognised by EU leaders.

We are only at the beginning of the legislative process to adopt the Fit for 55 package and lengthy negotiations with trade-offs among files await us. The worst outcome? To see the publication of yet another energy and climate package in five years from now

because the ongoing one is not good enough to put the EU on a pathway to climate neutrality.

To address climate change and ensure this is the last severe energy prices crisis, there is no other way around for EU leaders than finally taking energy efficiency seriously and deliver a bold, robust Energy Efficiency Directive.



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Contact us

Frédéric SIMON

Senior Editor, Energy & Environment
frederic.simon@euractiv.com
tel. +32 (0) 2 788 36 78

Marco VENOSTA

EU Affairs Executive
marco.venosta@euractiv.com
tel. +32 (0) 2 226 58 19